TERMS & CONDITION
LIMITATIONS OF LIABILITY

Limitations of the Laboratory

This company respectfully points out that as its prices are never proportionate to value of the negatives, positives, video masters and other client property entrusted to it. Customer's property is received, developed, printed, duplicated and stored, etc. by this Company only at Customer's risk, and this Company does not accept any responsibility for any loss or damage to such material from any cause whatsoever. Customer should therefore, insure all products delivered to this Company against all risks. In no event, including negligence or gross negligence of this Company, shall this Company be liable for the loss or damage of any material delivered to it by or for the account Customer for any amount in excess of the replacement value of the raw film or tape stock involved.

This Company will exercise reasonable care and will exert its best efforts to produce high quality work hereunder, but does not make any warranty nor does it assume any responsibility as to the character or quality of the material or service to be furnished or provided by it hereunder, nor as to the results of any of its undertakings hereunder. Without limiting the foregoing in any particular, this Company shall not be liable for loss of any kind whatsoever due to delays or failure in performance caused directly or indirectly by Acts of God, strikes, fire, failure of transportation agencies, public enemy, the elements, war, insurrection, shortages of labor or material, Government regulation, damage or accident to machinery or equipment, electric power or other utility failures, injury or damage to, or loss of, films delivered to this Company by Customer, or any other cause.

Limitations of Warranties

THIS COMPANY GIVES NO WARRANTY, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, DESCRIPTION, QUALITY OR OTHERWISE WITH RESPECT TO THE DEVELOPMENT, PRINTING AND PROCESSING OF FILM, VIDEO TRANSFER, DUPLICATING OR PACKAGING AND OTHER SERVICES OR MATERIAL PROVIDED BY IT.

Laboratory Lien on Film or Tapes

In addition to any other liens or remedies given to this Company under applicable law or elsewhere in these conditions, this Company shall have a security interest in and a lien on all original material, dupes, prints, masters, dubs and other property of Customer as security for the payment of the services and materials furnished to Customer in connection with the particular film, tape or other property in custody of this Company but also on any other film, tape or property of Customer obtained either prior to or subsequent to this Company's acquisition or possession of the property upon which such security interest or lien is being asserted. Customer hereby agrees that this Company shall have all the rights of a secured creditor under Pennsylvania and other applicable law with respect to all film, tape and other property of Customer in possession of this Company.

The Customer agrees that if the Company shall have to enforce its rights under said lien, either the Company or any party acquiring ownership of such property at private or public sale shall have, and is hereby granted, a license under the underlying contracts and literary material of such films, to distribute, exhibit, televise and otherwise exploit such titles for its own account in any media.

The Company will store negatives and positives of films and videotapes during the time of production and release printing or dubbing and for a reasonable period thereafter, for up to six months after last release prints or dubs are made by Company. However, Customer acknowledges that Company is not a warehouse and that it is not economically feasible for, nor is it a proper function of the laboratory to provide storage for negatives or masters which are used only occasionally for libraries, reruns, etc., and therefore, it will be necessary to charge a monthly storage for all materials left with the Company beyond the primary manufacturing period.

Within thirty days after written notice from this company, Customer agrees to remove at its own expense, all extraneous elements contained in said notice from this Company. In the event the Customer fails to remove all or any part of said elements, this Company shall have the right to destroy or otherwise dispose of such elements without liability to customer or any other person. Customer hereby covenants and agrees to indemnify and hold this Company harmless from all liability arising out of or in connection with the destruction or disposition of any such titles or elements of same.

Customer agrees that failure to pay said incidental charge for storage and keeping shall give the Company a lien on the film, tape or other property for such charges and the right to sell the film to satisfy said lien and costs of sale pursuant to Pennsylvania Law.

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The Customer agrees to remove from this Company's premises, all negative and positive outtakes, trims, and unused films, tape or other property in connection with each project produced by Customer within ninety days after the completion of said project, or within ninety days after the last work thereon in case production on said project is terminated, and further agrees that upon Customer's failure to do so, this Company may dispose of such outtakes, trims an unused material as it sees fit, including the destruction thereof. Customer agrees to indemnify and hold this Company harmless from all liabilities arising out of or in connection with this Company's disposition or destruction of such left-over material. Lab disposition of materials or communications may be to the last known address of Customer, in which case laboratory shall not be obligated to search further for Customer.

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Should a print or dub be found defective, or labeled or shipped in error, the Company will promptly replace or repair such defective product and/or correct an error in shipment at its expense, provided the defective print or dub is returned and written notice of such imperfection and/or error in labeling or shipment is given this Company within twenty days after shipment. But, in no event shall this Company be liable for any consequential damages. Company's liability to Customer or any other person shall be limited to the replacement or repair of defective prints or dubs or the correction of such errors in shipment or labeling. A check-print or dub must be ordered by Customer from any duplicate negative, positive or master made. Video check dubs are also recommended to be viewed by the customer prior to making volume orders, so that the customer can be sure that the result meets their expectations. This Company will replace duplicate negatives, positives or submasters, etc., if WRS work is found to be defective by way of such check-print/dub.

EXHIBIT
tabbies
24

Minimum and Special Prices

The per foot or per unit ch s specified on the regular schedules are predicated n a production basis and are calculated so as to give the Customer the best price possible on volume orders. Processing and operations on short lengths of film or tape create special conditions which necessitate the establishment of minimum and/or additional charges as listed.

All prices are subject to any fluctuation in cost of raw material and labor, retroactive to effective date thereof and are subject to change without notice.

Standard Synchronization

Preprint material must be provided with standard leaders bearing clear and proper synchronization marks. Any errors in synchronization shall be the responsibility of the Customer. Customer agrees to indemnify and hold this Company harmless from all liability arising out of or in connection with errors in synchronization.

Old Negatives

Old or shrunken negatives, or those showing any unusual photographic or physical condition, breaking splices, etc., are accepted for printing with the understanding that a charge will be made for lost time and/or materials whether or not a satisfactory print is ultimately produced.

Customer understands and acknowledges that it is this Company's policy not to accept or process any nitrate material without our knowledge. Customer warrants that none of the film elements or film delivered to or stored with this Company contain or will ever contain nitrate, except with advance laboratory knowledge and written consent. Customer agrees to indemnify and hold this Company harmless from all liabilities arising out of or connected with any nitrate film elements or film for Customer or other persons delivered to or stored with Company by Customer with or without Company's consent.

Shipping, Handling Charges

All prices are F.O.B. this Company's laboratory where such work was done and are subject to any and all applicable state and local taxes. In the absence of any & insurance other instructions from the Customer, Company will make shipments via the carrier of its choice subject to that carriers standard insurance rate unless client specifically requests in writing additional insurance which in all cases is at Customer's expense.

Delivery of Film or Tapes

Any shipping dates or delivery dates given to Customer by this Company are approximate and for Customer rough guidance only if any conditions whatsoever arise which prevent compliance with delivery schedule, this Company shall not be liable to Customer or any other person or entity for any losses, damage, liability or delay in delivery nor for failure to give notice of delay and such delays shall not constitute grounds of cancellation or defense set off or counterclaim.

Customer Liability

This Company may refuse to print, process or make dubs without incurring any liability to Customer, any film or tape which this Company in its sole discretion deems unlawful, pornographic, degrading or which it deems as tending to incite prejudice or passion. Customer hereby agrees to indemnify and hold this Company harmless from all liability arising out of or in connection with publication, processing, distribution, exhibition or content of film, tapes, or other elements delivered to Company, including liability for libel, slander, invasion of privacy, defamation of character, violation of any patent, copyright, trademark or any other proprietary right. Customer agrees, upon written notice from this Company at Customer's sole cost and expense to promptly defend any claim, demand, action or preceding of whatsoever nature in any jurisdiction to which this Company may be a party or which it may be threatened to be made a party which involves or is based all or in any part on any liability which Customer has agreed to indemnify and hold this Company harmless under any provision of these conditions.

Ownership of Films or Tapes

Customer warrants that it is the sole owner of all films or tapes delivered to Company by Customer or for Customer's account for storage, developing, printing, processing or duplicating of any kind or for any other purpose. Customer warrants that it now and at all times while any such element is in possession of this Company will be the sole owner and proprietor of all necessary rights in connection with any such element, including without limitation the copyright of such film or tape, the music, motion picture, television, literary and dramatic rights. Customer warrants that the film and tapes delivered to or in possession of this Company are not subject to any security interest, assignment, lien or encumbrance of any person or company. As long as Customer is indebted to this Company or any films or tapes of Customer are in the custody or possession of this Company, Customer agrees not to pledge, hypothecate, assign or in any other manner encumber said film or films or any rights to said film or films without the prior written consent of this Company.

Terms of Payment

Customer agrees to pay Company for all services performed and materials supplied to Customer, within 30 days after such items are invoiced. Customer agrees to pay all costs and expenses incurred by Company in connection with the enforcement of any of the Company's rights hereunder, including Company's right to the collection from Customer of any sums due or to become due at any time from Customer. Included in the term "costs and expenses" customer agrees to pay actual attorney's fees which customer agrees shall be deemed to be fair and reasonable.

Any claims which Customer may have against Company for adjustment or which in any way would affect any invoice must be presented to Company in writing no later than thirty days from the date of the invoice in question. Customer hereby irrevocably waives any claim for any such adjustment or change or modification in any such invoice in which such claim is not presented in writing to Company within said thirty-day period.